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ABSTRACT

The earnings gap is the difference between the percentage ratio of women's earnings to those of men and 100 percent. In 1988, the earnings gap for hourly earnings was 26 percent; for weekly earnings, 30 percent; and for annual earnings, 34 percent. Although the direction over the past decade is toward greater equality, the pace is extremely slow. The earnings ratio data are not uniform among all occupations. In nontraditional occupations, women receive approximately equal compensation. In more traditional jobs, employers can still act to keep wages low. Traditionally, women have "crowded" into a few occupations. Arguably, women choose an occupation that tends to have less skill obsolescence for workers who leave and reenter the labor force and requires less educational commitment. They may have been fearful of employment opportunities in other occupations because of lack of knowledge about the field or fear of sexual harassment. Factors besides occupational choice that may affect the earnings gap include seniority within the firm and in the job and higher turnover rates for women. The effect of sex discrimination on the earnings gap is hard to measure. The earnings gap is narrowing and should continue to do so as women work more hours in the week, spend more years at work in their lifetimes, continue to increase their educational investment, and widen their occupational choices. (4 tables; 17 references) (YLB)

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Facts on Working Women

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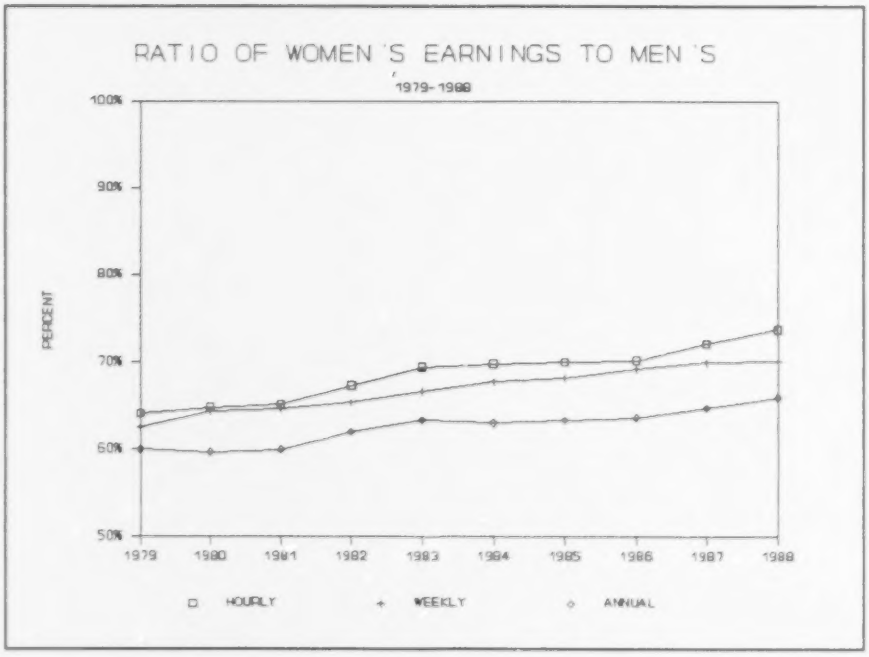
EARNINGS DIFFERENCES BETWEEN WOMEN AND MEN

What is the earnings gap? When we talk of comparing women's earnings with men's earnings, we find that no matter how we measure them, women's earnings are below those received by men. Very often men's earnings are used as the "yardstick" to measure women's, and we say women's earnings are a percentage of men's. The earnings gap is the difference between this percentage ratio of women's earnings to those of men and 100 percent.



How large is the earnings gap? In 1988 for those receiving hourly rates, women's median **hourly** earnings were 74 percent of men's; for full-time wage and salary workers, women's median **weekly** earnings were 70 percent of men's; and median **annual** earnings for women were 66 percent of men's annual earnings. The **earnings gap**, then, for **hourly** earnings is 26 percent; for **weekly** earnings, 30 percent; and for **annual** earnings, 34 percent. All three measures are developed from Current Population Survey (household survey) data and released by the Bureau of Labor Statistics (BLS).

Why the difference among measures? We find the three measures which compare women's earnings with men's earnings differ because women workers generally work fewer hours than their male counterparts, and those paid hourly rates are essentially a different group from wage and salary workers.

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Are we closing the earnings gap? Historically, we find that women's median hourly earnings as a percent of men's reported by the BLS have climbed from 64 percent to 74 percent during the decade from 1979 to 1988. Weekly earnings as reflected in Current Population Survey data show that women's earnings as a percent of men's moved from 62 percent to 70 percent from 1979 to 1988. Median annual earnings for women changed from 60 percent of men's earnings in 1979 to 66 percent in 1988.

The chart provides perspective on women's gains over the decade. We see the direction is toward greater equality, but some find the pace extremely slow. Full equality would be 100 percent. Table 1 presents the percentage ratios from which the chart was developed.

Table 1. Women's earnings as percent of men's

Year	Hourly	Weekly	Annual
1979	64.1	62.5	60.0
1980	64.8	64.4	59.7
1981	65.1	64.6	59.9
1982	67.3	65.4	62.0
1983	69.4	66.7	63.3
1984	69.8	67.8	63.0
1985	70.0	68.2	63.3
1986	70.2	69.2	63.6
1987	72.1	70.0	64.8
1988	73.8	70.2	66.0

In the face of gains made by women in many areas, why is change in the earnings ratio so slow? The earnings ratio data are not uniform among all occupations. In some occupations women receive approximately equal, or even greater compensation than their male coworkers in the same occupation; the pace is not slow here. These occupations are often nontraditional jobs for women, repairer for example. In the more traditional jobs, such as teachers or nurses, employers with large numbers of employees can still act to keep wages low (monopsony), and this strategy coupled with the fewer hours worked by women than men tend to keep weekly and annual earnings of all women well below those of all men. Table 2 presents median weekly earnings ratios of women's earnings as a proportion of men's for selected occupational groups. The groups that have been selected for this table are those in which national totals for women's earnings were at least 80 percent of men's earnings in 1989. Ratios are also presented for 1983 so that the recent trend in relative earnings for women and men will be apparent. Table 2 also presents the proportion of women's employment to total employment for the years 1989 and 1983. In this context, we can see that the individual occupations which seem to fare well when women's earnings are compared with men's are not located in only "women's" work (those occupations which have high proportions of women's employment to total employment) or "men's" jobs (those with high proportions of employed men). Instead, these occupations appear to occur throughout the whole spectrum of jobs.

Traditionally, women have "crowded" into a few occupations. In 1989 the six most prevalent occupations for women were, in order of magnitude, secretaries, school teachers (excluding those teaching in colleges and universities), semi-skilled machine operators, managers and administrators, retail and personal sales workers, and bookkeepers and accounting clerks. In 1989 about one-third of all women at work were employed in these occupations. It has been argued that women choose these occupations because there tends to be less skill obsolescence for workers who leave and reenter the labor force. It has also been argued that the educational commitment for employment in these fields is less than in some others, and workers can have more time at home for other responsibilities.

Table 2. Ratio of median weekly earnings for women and men and ratio of women's employment to total employment for selected occupations in 1989 and 1983

Occupational class	Women to men earnings ratio(%)		Women to total employment ratio(%)	
	1989	1983	1989	1983
TOTAL	70.1	66.7	42.1	40.4
Inspectors, compliance officers	80.6	N.A.	8.8	22.4
Engineers	85.7	82.8	8.0	5.9
Computer scientists, analysts	83.0	77.3	31.2	29.6
Operations/systems analysts	83.7	N.A.	40.9	30.1
Registered nurses	89.7	99.5	92.9	94.4
Therapists	87.8	N.A.	72.3	75.1
Teachers, except college/univ	85.6	84.9	70.6	68.0
Elementary teachers	90.3	86.7	83.7	82.5
Secondary teachers	96.1	88.6	49.7	49.1
Counselors, education/vocation	85.1	80.3	55.1	48.4
Psychologists	83.1	N.A.	51.9	53.9
Social/religious workers	90.3	[illegible]	46.9	42.2
Social workers	85.1	[illegible]	66.8	62.8
Lab technician/technologists	86.2	83.7	71.9	73.3
Engineering technicians	84.6	73.0	19.1	17.6
Drafting occupations	89.4	N.A.	19.9	16.8
Computer programmers	83.1	82.7	35.7	31.9
Advertising/related sales	85.2	N.A.	55.0	46.5
Sales reps, except retail	84.5	71.1	19.2	14.5
Cashiers	94.8	84.3	78.5	80.9
Scheduling supervisors/clerks	91.3	N.A.	36.5	20.1
Information clerks	80.6	72.6	89.1	88.6
Records clerks	85.5	76.2	82.5	82.0
Bookkeepers, accounting clerks	83.8	79.1	91.4	89.2
Postal clerks, except mail carriers	94.1	93.4	39.5	32.2
Mail carriers, postal service	88.9	N.A.	22.1	14.3
Mail clerks, except postal service	94.8	89.0	47.6	48.9
Dispatchers	83.2	77.6	50.6	44.6
Shipping/receiving clerks	82.3	77.4	26.8	19.6
Stock/inventory clerks	85.2	81.2	39.7	38.4

Misc admin support occupations	80.7	74.3	84.6	85.2
General office clerks	91.6	79.7	79.2	80.7
Police and detectives	89.8	77.5	12.3	9.6
Public service police/detectives	92.1	N.A.	11.6	6.0
Guards	86.4	80.6	18.9	13.7
Guards/police, except public service	95.5	91.3	15.8	11.1
Food preparation/service occupations	85.3	86.2	52.9	57.4
Bartenders	82.7	84.4	48.3	46.3
Cooks, except short order	84.7	85.8	44.4	47.8
Waiters'/waitresses' assistants	97.0	N.A.	37.5	36.9
Misc food preparation occupations	95.0	102.5	40.7	48.6
Health aides, except nursing	87.3	N.A.	81.9	87.4
Nursing aides, orderlies	82.7	81.0	88.4	86.8
Maids/housemen	85.4	79.0	77.1	75.5
Janitors/cleaners	85.1	81.0	24.0	20.5
Mechanics/repairers	102.8	89.4	3.5	3.4
Electrical/electronic repairers	94.6	N.A.	8.1	8.1
Textile sewing machine operators	82.4	75.3	90.8	81.7
Laundry/dry cleaning machine operators	89.9	N.A.	61.4	63.0
Packaging/filling machine operators	88.5	78.5	62.2	64.2
Bus drivers	82.5	71.0	40.1	29.2
Handlers/helpers/laborers	81.1	84.1	16.1	16.0
Stock handlers/baggers	81.1	91.9	23.5	19.0
Freight/stock/material handlers	84.7	N.A.	9.2	5.9
Laborers, except construction	87.5	79.0	19.5	19.4
Farming/forestry/fishing occupations	83.7	84.5	11.7	11.2
Farm occupations, except managers	87.9	86.7	13.5	12.7
Farm workers	90.4	88.5	13.0	12.7
Related agricultural occupations	82.7	N.A.	10.6	11.1

There may be other factors which are difficult to measure that also affect women's career decisions. To what extent have women been denied the opportunity to find employment in other occupations? Have they been fearful of entering occupations where few women are employed because of lack of knowledge about the field, or fear that sexual harassment may be a factor? These are aspects which are difficult to quantify.

What other factors besides occupational choice affect the earnings gap? It has been suggested also, that seniority within the firm and in the job has much to do with earnings of American workers. If this is the case, then the work experience of the two groups will have an impact on the earnings ratio of women to men. Data from the Survey of Income and Program Participation (SIPP)

(continued on page 6)

Table 3. Percent of potential work-years spent away from work by sex, age, and years of school, 1984

Age and school years completed	All workers		Full-time workers	
	Women	Men	Women	Men
Workers 21 to 64 years of age	14.7	1.6	11.5	1.3
21 to 29 years of age	5.3	2.3	3.7	1.8
Less than 12 years of school	8.8	3.3	6.5	2.2
12 to 15 years of school	5.7	2.2	3.8	1.8
16 years or more of school	2.6	2.0	2.3	1.6
30 to 44 years of age	16.6	1.6	12.3	1.2
Less than 12 years of school	20.2	2.6	16.3	1.8
12 to 15 years of school	17.6	1.5	12.8	1.3
16 years or more of school	12.1	1.2	9.5	1.0
45 to 64 years of age	22.7	0.9	19.5	0.7
Less than 12 years of school	19.2	1.0	16.9	0.7
12 to 15 years of school	24.1	0.8	20.3	0.6
16 years or more of school	23.0	0.9	20.4	0.9

Table 4. Hourly earnings for those with no work interruptions by sex, age, and years of school, 1984

Age and school years completed	Women	Men	Women/men ratio(%)
Workers 21 to 64 years of age	$7.44	$10.76	69.1
21 to 29 years of age	6.64	7.98	83.2
Less than 12 years of school	5.30	6.59	80.4
12 to 15 years of school	6.15	7.70	79.9
16 years or more of school	8.54	9.91	86.2
30 to 44 years of age	8.40	11.60	72.4
Less that 12 years of school	5.56	8.09	68.7
12 to 15 years of school	7.60	10.71	71.0
16 years or more of school	10.85	14.68	73.9
45 to 64 years of age	7.57	12.60	60.1
Less than 12 years of school	5.54	9.01	61.5
12 to 15 years of school	7.62	12.07	63.1
16 years or more of school	11.10	18.03	61.6

were used in the Bureau of the Census release, "Male-Female Differences in Work Experience, Occupation and Earnings: 1984" which showed that for all men only 1.6 percent of all potential work-years were spent away from work while 14.7 percent of all potential work-years were spent away from work by women workers. Table 3 presents data from this survey.

However, there has been a change in women's labor force participation since World War II, particularly for women between the ages of 25 and 54. Most women work today, including mothers of small children. As recently as 1975 BLS found sharp differences in participation rates among women classified by marital status and the presence and age of children. This greater participation is reflected in an increase in women's earnings as a proportion of men's earnings, particularly for younger women. Table 4 substantiates this inference. It presents data from the SIPP for women and men with no work interruptions (defined as 6 months or more without a job or business) by age and educational attainment. For young women who have completed 4 years or more of college, hourly earnings are 86 percent of the hourly earnings of their male coworkers. For young women, those 21 through 29 in 1984, the earnings ratio of women to men was 80 percent or more. The relationship between education and earnings, particularly for young women, deserves further analysis.

Turnover data for women and men have shown higher rates for women than for men. There are costs associated with hiring, and recent surveys by private employment agencies indicate that these costs can be substantial. The recent changes in women's labor force participation tends to narrow the differences in turnover rates between women and men with a concurrent increase in women's earnings. Additionally, the growing tendency of employers to provide child care benefits, flexitime, and family leave policies can further strengthen women's opportunity to meet family responsibilities with fewer work interruptions.

What about sex discrimination? Sex discrimination still exists in the American workplace, but the magnitude of its effect on the earnings gap is hard to measure. Statistical studies have successfully attempted to measure the effects on the male-female earnings differential of several factors. Employee characteristics, such as occupation, education, and experience, have been examined using statistical techniques to assess the impact each has on women's and men's earnings. Most often the effects of discrimination in these studies are included in an "all other" category and are not measured separately. However, individuals and Federal agencies responsible for enforcement of civil rights legislation continue to win cases in which women have been discriminated against in the workplace thus demonstrating that sex discrimination persists.

What can we conclude? It appears that women's earnings are slowly climbing when compared with men's earnings, as women's participation in the labor force continues to move closer and closer to the pattern exhibited by men, and as their educational investment and occupational choices also become more similar to men's. Employers' continuing efforts to provide more training and promotion opportunities for women will help to diminish the difference between women's and men's earnings. Employers also appear to recognize the need to help families and women balance conflicting needs. The earnings gap should continue to narrow as women work more hours in the week, spend more years at work in their lifetimes, continue to increase their educational investment and widen their occupational choices.

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